

donees in lieu of abandonment if the Government will not bear any of the costs incident to a donation.

(d)(1) Before abandoning, destroying, or donating excess personal property, the plant clearance officer shall determine in writing that the property does not constitute a danger to public health or welfare and—

(i) The property has no residual monetary value; or

(ii) The estimated cost to sell the property, including advertising, storage, and other costs associated with making the sale, is greater than the probable sale proceeds; and

(2) A Government reviewing official shall approve all written determinations for abandonment and destruction actions.

45.604 Disposal of surplus property.

45.604–1 Disposal methods.

(a) Except as provided in paragraphs (b) and (c) of this subsection, surplus property that has completed screening in accordance with 45.602–3(a) shall be sold in accordance with 45.604–3 or abandoned, destroyed, or donated to public bodies in accordance with 45.604–2.

(b) The following property that GSA has declared surplus or not required to be screened by GSA shall be disposed of in accordance with agency procedures:

(1) Classified items.

(2) Nonnuclear hazardous materials or hazardous wastes.

(3) Property that contains precious metals or requires demilitarization.

(4) Government property physically located outside the United States or its possessions (*see* 40 U.S.C. 701–705).

(c) Nuclear materials (*see* 45.602–3(b)(5)) shall be disposed of in accordance with NRC or applicable state licenses, applicable Federal regulations, and agency regulations.

45.604–2 Abandonment, destruction, or donation of surplus property.

(a) Plant clearance officers may abandon, destroy, or donate to public bodies surplus property that is not sensitive property, and does not require demilitarization.

(b) Plant clearance officers may abandon sensitive property that does

not require demilitarization, with contractor consent, provided appropriate instructions are provided with respect to the proper care, handling, and disposal of the property.

(c) The Government may donate surplus property to eligible donees in lieu of abandonment if the Government will not bear any of the costs incident to donation.

(d) Before abandoning, destroying, or donating surplus property, the plant clearance officer shall determine in writing that the property does not constitute a danger to public health or welfare and—

(1) The property has no residual monetary value; or

(2) The estimated cost to sell the property, including advertising, storage, and other costs associated with making the sale, is greater than the probable sale proceeds.

45.604–3 Sale of surplus personal property.

Policy for the sale of surplus personal property is contained in the Federal Management Regulation, at Part 102–38 (41 CFR Part 102–38). Agencies may specify implementing procedures.

[75 FR 38681, July 2, 2010]

45.604–4 Proceeds from sales of surplus property.

Proceeds of any sale are to be credited to the Treasury of the United States as miscellaneous receipts, unless otherwise authorized by statute or the contract or any subcontract thereunder authorizes the proceeds to be credited to the price or cost of the work (40 U.S.C. 571 and 574).

45.605 Inventory disposal reports.

The plant clearance officer shall promptly prepare an SF 1424, Inventory Disposal Report, following disposition of the property identified on an inventory disposal schedule or scrap list and the crediting of any related proceeds. The report shall identify any lost, stolen, damaged, destroyed, or otherwise unaccounted for property and any changes in quantity or value of the property made by the contractor after

submission of the initial inventory disposal schedule. The report shall be addressed to the administrative contracting officer or, for termination inventory, to the termination contracting officer, with a copy to the property administrator.

45.606 Disposal of scrap.

45.606-1 Contractor with an approved scrap procedure.

(a) The contractor may dispose of scrap resulting from production or testing under this contract without Government approval. However, if the scrap requires demilitarization or is sensitive property, then the contractor shall submit the scrap on an inventory disposal schedule.

(b) For scrap from other than production or testing, the contractor may prepare scrap lists in lieu of inventory disposal schedules (provided such lists are consistent with the approved scrap procedures).

(c) Inventory disposal schedules shall be submitted for all aircraft regardless of condition, flight safety critical aircraft parts, and scrap that—

- (1) Requires demilitarization;
- (2) Is a classified item;
- (3) Is generated from classified items;
- (4) Contains hazardous materials or hazardous wastes;
- (5) Contains precious metals that are economically beneficial to recover; or
- (6) Is dangerous to the public health, safety, or welfare.

[69 FR 17745, Apr. 4, 2004, as amended at 75 FR 38681, July 2, 2010]

45.606-2 Contractor without an approved scrap procedure.

The contractor shall submit an inventory disposal schedule for all scrap.

45.606-3 Procedures.

(a) The plant clearance officer shall process inventory disposal schedules in accordance with 45.602-1.

(b) The plant clearance officer shall—

- (1) Accept, reject, or return for correction scrap lists within 10 days following receipt;
- (2) Accept scrap lists that are consistent with a contractor's approved scrap procedure, correctly identify the contracts under which the scrap is ac-

countable, and correctly identify the scrap's quantity and condition;

(3) Use Standard Form 1423 to verify accepted scrap lists, in accordance with agency procedures;

(4) Require a contractor to correct any discrepancies found during verification; and

(5) Provide disposition instructions to the contractor within 45 days following Government acceptance of a scrap list. If the plant clearance officer does not provide disposition instructions within that period, the contractor may dispose of scrap identified on a scrap list without further Government approval.

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